

**362.1-103 Effect of partnership agreement -- Nonwaivable provisions.**

- (1) Except as otherwise provided in subsection (2) of this section, relations among the partners and between the partners and the partnership are governed by the partnership agreement. To the extent the partnership agreement does not otherwise provide, this subchapter governs relations among the partners and between the partners and the partnership.
- (2) The partnership agreement shall not:
  - (a) Vary the rights and duties under KRS 362.1-105 except to eliminate the duty to provide copies of statements to all of the partners;
  - (b) Unreasonably restrict the right of access to books and records under KRS 362.1-403(2) or unreasonably restrict the right to information KRS 362.1-403(3);
  - (c) Eliminate the duty of loyalty under KRS 362.1-404(2) or 362.1-603(2)(c), but:
    1. The partnership agreement may identify specific types or categories of activities that do not violate the duty of loyalty, if not manifestly unreasonable; or
    2. All of the partners or a number or percentage specified in the partnership agreement may authorize or ratify, after full disclosure of all material facts, a specific act or transaction that otherwise would violate the duty of loyalty;
  - (d) Unreasonably reduce the duty of care under KRS 362.1-404(3) or 362.1-603(2)(c);
  - (e) Eliminate the obligation of good faith and fair dealing under KRS 362.1-404, but the partnership agreement may prescribe the standards by which the performance of the obligation is to be measured, if the standards are not manifestly unreasonable;
  - (f) Vary the power to dissociate as a partner under KRS 362.1-602(1), except to require the notice under KRS 362.1-601(1);
  - (g) Vary the right of a partner or the partnership to seek a partner's expulsion by judicial determination or vary the right of a court to expel a partner in the events specified in KRS 362.1-601(5);
  - (h) Vary the requirement to wind up the partnership business in cases specified in KRS 362.1-801(4), (5), or (6); or
  - (i) Vary the law applicable to a limited liability partnership under KRS 362.1-106(2); or
  - (j) Vary the liabilities and remedies under KRS 362.1-405 to a greater extent than variations are in fact made under this section in the substantive rights in the partnership agreement giving rise to the partner claims at issue.
- (3) If a written partnership agreement contains a provision to the effect that any amendment to the partnership agreement must be in writing and adopted in accordance with the provisions of the partnership agreement, that provision shall be enforceable in accordance with its terms, and any agreement among the partners

concerning the partnership which is not in writing and adopted in accordance with the provisions of the partnership agreement shall not be part of the partnership agreement.

**Effective:** July 12, 2006

**History:** Created 2006 Ky. Acts ch. 149, sec. 3, effective July 12, 2006.